American Banker

MINORITY THRIFT RANKINGS — PAGE 14

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TODAY

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MINORITY THRIFTS: Minority-owned thrifts continued to grow rapidly in 1984, according to an *American Banker* survey.... 1

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If the perception is that the fund is weak or insolvent, then I'm concerned about that — because it simply isn't the truth.

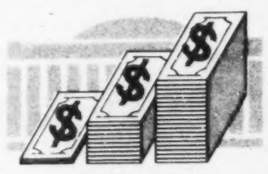
Donald Hovde, Federal Home Loan Bank Board member, on the state of the Federal Savings and Loan Insurance Corp. [1]

Unquote

Banks Seize on Fed Ruling to Buy Healthy Thrifts

By BART FRAUST

NEW YORK — A little-publicized decision last year by the Federal Reserve Board paves the way for two cross-industry, interstate acquisitions announced in New England in recent days.



Thrifts

In the July 1984 ruling, the Fed permitted the Frankford Corp., a Philadelphia-based bank holding company, to acquire Colonial Savings Bank, a state-chartered savings bank located in Philadelphia.

That ruling is expected to be cited as precedent for the acquisition of the Provident Institution for Savings in Boston by the Hartford National Corp. and the sale of Old Colony Savings Bank in Providence, R.I., to the Boston-based Bank of New England Corp.

If the Fed approves the Hartford National and Bank of New England applications, it will be the first time it has permitted interstate acquisitions of healthy thrifts.

Also pending at the Fed is an application by a bank holding company to acquire a savings bank located in the same state, the purchase of Morris County Savings Bank in Morristown, N.J., by First Fidelity Bancorp. Inc. of Newark, N.J.

According to several banking observers, the Frankford-Colonial decision was the first time the agency permitted a bank holding company to buy a healthy thrift in a state other than New Hampshire and Rhode Island. The Fed has allowed banks and thrifts in those two states to maintain their traditional ownership links.

Banking analysts said they see no reason why the Frankford decision, in which the Fed basically looked at state-chartered stock savings banks as commercial banks, should not be extended to include interstate mergers.

The decision did not affect bank holding company acquisitions of either federally chartered savings and loan associations or savings banks.

➳ Interstate: Page 10

Bank Board's Hovde: FSLIC Not in Peril

He Worries that Recapitalization Talk May Undermine Consumer Confidence

By DAVID LAGESSE and NINA EASTON

A member of the Federal Home Loan Bank Board on Thursday disputed the recent bleak assessments of the state of the federal thrift industry fund.

In an interview Thursday, board member Donald Hovde said he does not agree that the Federal Savings and Loan Insurance Corp. needs an immediate injection of new capital, and said he worries that talk about recapitalizing the fund could spawn consumer doubts.

Mr. Hovde and Mary Ann Grigsby, the board's third member, are said to have been angered when Bank Board Chairman Edwin J. Gray suggested, though did not endorse, a levy of $8.5 billion on the industry, totaling 1% of all deposits. Mr. Gray mentioned the levy in congressional testimony Oct. 17.

"If the perception is that the fund is weak or insolvent, then I'm concerned about that — because it simply isn't the truth," Mr. Hovde said.

Mrs. Grigsby could not be reached for comment.

In other developments, sources say a Bank Board plan for a new corporation that would manage and dispose of troubled thrift assets may initially exclude the involvement of the system's district banks.

Backers of this corporation are hoping Mr. Gray will announce the details of the plan at the annual convention of the U.S. League of Savings Institutions in Dallas next week. The conference schedule includes a speech by Mr. Gray on Tuesday.

The growing dispute over the health

➳ Hovde: Page 10

Minority-Owned Thrifts Grow Rapidly

By KENNETH J. HICKS

NEW YORK — Many minority-owned thrifts maintained their explosive asset and deposit growth for the second consecutive year in 1984 by using more aggressive and innovative marketing techniques. This gave them the funds to expand the services they can offer their communities.

However, minority-owned thrifts did not escape the earnings problems that afflicted the industry as a whole.

These are among the findings made in conjunction with the *American Banker's* second survey of minority-owned thrift institutions. The table on page 14 lists those thrifts that responded to questionnaires sent by *American Banker* and compares data from Dec. 31, 1984, with data from Dec. 31, 1983.

For the approximately 60% of minority thrift respondents who were able to provide two years of data, deposits soared 43.2%, to $2.7 billion from $1.9 billion, and assets jumped 44.1%, to $3.3 billion from $2.3 billion. Minority thrifts' share of total thrift deposits also increased, to .004% from .003%. Deposits for all thrifts in 1984 were up 14.1%.

Deposit and asset growth also were extremely high for minority-owned thrifts in the period from Dec. 31, 1982, to Dec. 31, 1983, with increases of 49.5% and 51.0%, respectively.

Net income for the survey's minority-owned thrifts, however, plummeted 49.7% to $6.0 million in 1984, from $11.9 million the year before. Although the sample is small, these results can be reflective of the industry as a whole.

Minority Thrift Rankings, Page 14
Atlas S&L Struggles to Survive, Page 11

Mark Clark, senior vice president for public relations at the U.S. League of Savings Institutions, pointed out that the "interest rate environment in 1984 was not as favorable" as in 1983. "The ability of thrifts to earn on interest rate spreads was more difficult." In 1983, earnings at surveyed minority-owned thrifts skyrocketed 267.1%.

Mr. Clark said the figures for the relatively small sampling of minority-owned thrifts (70 thrifts could be iden-

➳ Minority: Page 15

First Tennessee, Insurance Agency To Alter Agreement

By LYNN BRENNER

NEW YORK — Craddock Insurance Agency and First Tennessee Bank, partners along with Aetna Life & Casualty in one of the most publicized joint ventures to market insurance products to bank customers, are redrafting their agreement. Among the planned changes is the way in which the bank is compensated.

First Tennessee now leases lobby space in six branches to the Craddock Agency in exchange for 4% of gross premiums written. In the future, the bank's compensation will be changed to a still-to-be-determined flat fee.

The Craddock agency will also reduce its representation in First Tennessee branches and concentrate more fully on direct response sales.

➳ Craddock: Page 6

Your Mid-South Connection

THIRD NATIONAL BANK

Member F.D.I.C.
Nashville, Tennessee

Minority-Owned Thrift Institutions in the United States *

(Geographically Listed by State)

Compiled by American Banker Copyright 1985

As of December 31, 1984

	Deposits 12/31/84	Deposits 12/31/83	Assets 12/31/84	Assets 12/31/83	Net Income 12/31/84	Net Income 12/31/83	Net Worth 12/31/84
ALABAMA							
Citizens Federal Savings Bank, Birmingham (b)	43,782,162	35,903,095	51,088,293	41,031,850	113,185	598,050	1,200,000
CALIFORNIA							
Broadway Federal Savings & Loan Association, Los Angeles	72,221,079	70,925,626	76,371,812	73,922,894	(429,591)	314,537	1,290,141
First Public Savings Bank, Los Angeles (a)	68,943,628	52,163,615	75,829,033	58,061,803	1,212,338	934,768	5,936,295
Merit Savings Bank, Los Angeles (a)	247,093,900	195,839,000	302,650,600	233,824,000	319,100	N.A.	
Standard Savings & Loan Association, Los Angeles (a)	62,621,366	46,182,122	72,782,294	55,634,159	1,096,418	1,265,209	4,661,721
Monterey Park Savings Bank (e)	76,283,119	25,319,625	79,321,092	29,739,762	(81,786)	314,000	2,408,620
Hacienda Federal Savings & Loan Assocition, Oxnard (h)	16,823,386	38,137,000	37,039,036	42,236,000	(1,910,103)	(686,000)	(10,576,691)
Golden Coin Savngs & Loan Association, San Francisco (a)	109,000,000	60,621,000	119,000,000	73,000,000	80,000	145,000	3,937,000
Sincere Federal Savings Bank, San Francisco (a)	81,048,784	64,731,000	88,150,989	70,672,000	901,871	532,000	2,908,140
Time Savings & Loan Association, San Francisco (d)	56,979,596	48,860,108	64,807,244	55,953,556	(299,226)	489,515	2,410,880
United Bank SSB, San Francisco (a)	493,667,000	262,677,265	697,065,000	415,976,163	(1,454,000)	3,011,987	15,700,000
East-West Federal Savings Bank, San Marion (a)	203,432,000	147,533,701	234,655,000	182,188,268	3,000	841,831	N.A.
COLORADO							
Equity Federal Savings, Denver (b)	3,608,000	3,603,000	4,223,000	4,070,000	56,000	(9,000)	164,000
CONNECTICUT							
Connecticut Savings & Loan Association, Hartford (b)	8,527,000	7,843,794	9,932,000	9,283,228	31,000	(12,121)	379,000
DISTRICT OF COLUMBIA							
Independence Federal Savings Bank (b)	90,495,000	58,136,060	117,311,000	78,004,903	N.A.	N.A.	N.A.
FLORIDA							
General Federal Savings & Loan Association, Coral Gables (c)	170,381,502	91,748,580	189,231,347	98,757,721	801,944	269,059	5,164,537
Metropolitan Federal Savings & Loan Association, Hialeah (c)	33,243,350	N.A.	34,064,961	N.A.	58,937	N.A.	461,305
Miami Federal Savings Bank	139,349,291	108,526,000	148,120,136	116,207,000	511,901	N.A.	7,184,286
Washington Shores Federal Savings & Loan Association, Orlando (b)	6,582,000	6,306,246	9,267,000	9,181,108	(17,000)	64,000	224,000
GEORGIA							
Mutual Federal Savings & Loan Association (b)	29,521,715	22,822,422	32,748,048	24,814,828	153,988	26,674	1,303,587
KANSAS							
Coronado Federal Savings & Loan Association, Kansas City	13,708,000	14,434,877	14,151,000	15,221,829	N.A.	68,354	N.A.
LOUISIANA							
First Federal Savings & Loan of Scotlandville (b)	47,232,000	48,304,822	48,681,000	50,280,270	(51,000)	90,448	909,000
MARYLAND							
Advance Federal Savings & Loan Association, Baltimore (b)	27,149,694	25,160,535	30,836,015	29,141,557	105,625	302,541	2,664,631
Ideal Savings & Loan Association, Baltimore (b)	6,116,563	4,887,353	6,601,212	5,482,519	43,351	36,409	369,235
MISSISSIPPI							
State Mutual Federal Savings & Loan Association, Jackson	13,350,678	N.A.	15,451,045	N.A.	3,176	N.A.	139,333
MISSOURI							
New Age Federal Savings & Loan Association, St. Louis (b)	10,679,127	11,141,076	11,317,886	11,842,667	3,009	(32,163)	416,741
NEW MEXICO							
Otero Savings & Loan Association, Alamogordo (c)	14,769,000	13,573,000	16,733,000	16,251,000	97,000	(27,000)	928,000
Silver Savings & Loan Association, Silver City (c)	17,688,000	14,092,000	19,313,000	15,499,118	80,000	29,887	1,093,000
NEW YORK							
Metro Merchants Federal Credit Union, Bronx (c)	1,621,349	N.A.	2,049,152	N.A.	(43,826)	N.A.	1,698,812
Ponce de Leon Federal Savings Bank, Bronx (c)	35,828,308	31,793,806	46,338,615	35,509,406	500,377	542,434	1,452,879
Carver Federal Savings & Loan Association (b)	105,226,537	98,572,722	122,328,919	113,057,691	1,940,073	1,013,975	8,356,653
NORTH CAROLINA							
Mutual Savings & Loan Association, Durham (b)	17,966,147	16,619,854	20,642,457	19,024,366	173,586	149,996	2,185,756
American Federal Savings & Loan Association, Greensboro (e)	15,177,387	N.A.	18,037,387	N.A.	N.A.	N.A.	N.A.
Craven County Federal Credit Union, New Bern (b)	N.A.	1,271,940	2,100,000	1,400,780	29,000	38,307	N.A.
OHIO							
Major Federal Savings & Loan Association, Cincinnati (b)	24,180,553	19,938,810	26,712,970	20,883,571	N.A.	156,448	638,397
PENNSYLVANIA							
Berean Savings Association, Philadelphia (b,g)	N.A.	19,505,257	25,005,426	22,876,496	N.A.	247,286	N.A.
Dwelling House Savings & Loan Association, Pittsburgh (b)	7,835,497	7,146,770	9,010,430	8,282,958	129,812	120,506	1,020,506
TEXAS							
Padre Federal Savings & Loan Association, Corpus Christi (c)	15,560,111	8,076,126	18,402,936	8,727,285	245,746	(151,334)	835,073
Standard Savings Association, Houston (b)	17,842,608	16,790,088	20,004,072	18,854,072	N.A.	204,979	N.A.
Tesoro Savings & Loan Association, Laredo (c)	218,591,792	91,428,298	234,407,610	101,880,282	1,246,576	N.A.	6,348,900
VIRGINIA							
Imperial Savings & Loan Association, Martinsville (b)	5,835,000	4,294,110	6,192,000	4,723,720	N.A.	(193,224)	232,000
Berkley Federal Savings Bank, Norfolk (e)	13,244,969	13,684,471	15,631,963	14,345,998	N/A	N/A	1,233,000
WASHINGTON							
Sound Savings & Loan Association, Seattle (f)	19,360,345	15,364,703	27,101,419	21,017,452	155,236	197,429	1,585,808
United Savings & Loan Bank, Seattle (a)	58,167,506	50,130,900	63,282,206	56,414,445	725,675	785,960	3,447,323
WISCONSIN							
Columbia Savings & Loan Association, Milwaukee (b)	7,108,959	6,738,218	8,136,122	7,729,400	23,056	59,970	669,111

* — The American Banker surveyed Minority-owned thrifts which are eligible for the Government Minority Bank Deposit Program. Those listed are the institutions which responded. The thrifts which did not respond are: Tuskegee Federal S&L Assn., Tuskegee, Ala.; Enterprise S&L Assn., Long Beach, Calif.; California Women's S&L Assn., Family S&L Assn., Founders S&L Assn., all Los Angeles; Associates Federal S&L Assn., City Federal S&L Assn., both Oakland, Calif.; Presidio S&L Assn. Porterville, Calif.; Gateway Savings Bank, San Francisco; ; Tropical Federal S&L Assn., Hialeah, Fla.; Interamenrican Federal S&L Assn., Miami, Fla.; Community Federal S&L Assn., Tampa, Fla.; Ill. Service Federal S&L Assn., Chicago; Bayou Federal S&L Assn., United Federal S&L Assn., both New Orleans, La.; Home Federal Savings Bank, Detroit; Sun Country Federal S&L Assn., Albuquerque, N.M.; De Vargas S&L Bank, Santa Fe, N.M.; Mission Savings Assn., El Paso, Tex.; People's S&L Assn., Hampton, Va.

(a) — Asian American-owned; (b) — Black-owned; (c) — Hispanic American-owned; (d) — Native American-owned; (e) — Multi-racial-owned; (f) — Women-owned; (g) — Data as of Jan. 31, 1985; (h) — Under conservatorship since Nov. 24, 1983; N.A. — Not available; N/A — Not applicable.

US LEAGUE CONVENTION SPECIAL

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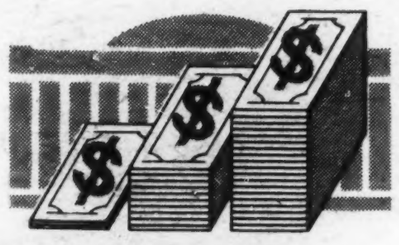
TODAY



THRIFT REVIEW
Despite efforts by federal regulators to curb the troubled thrift industry, some state-chartered S&Ls still enjoy liberal powers. Today's feature section looks at key states and includes a roundup by Mark Basch of thrift charters in New England; it begins on page..... 13

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TOP 50: The top 50 thrift holding companies increased their share of deposits..... 1

NEW THRIFTS: Births of new savings institutions are unchecked by gloomy industry assessments..... 1

DISCOVER: Sears expects Discover to eventually have more outlets than American Express ... Discover is offering attractive interest rates on savings accounts opened with the card..... 2

VISA LINK: Dean Witter will link the Visa card that comes with its Active Assets Account to an automated teller machine network..... 2

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monday

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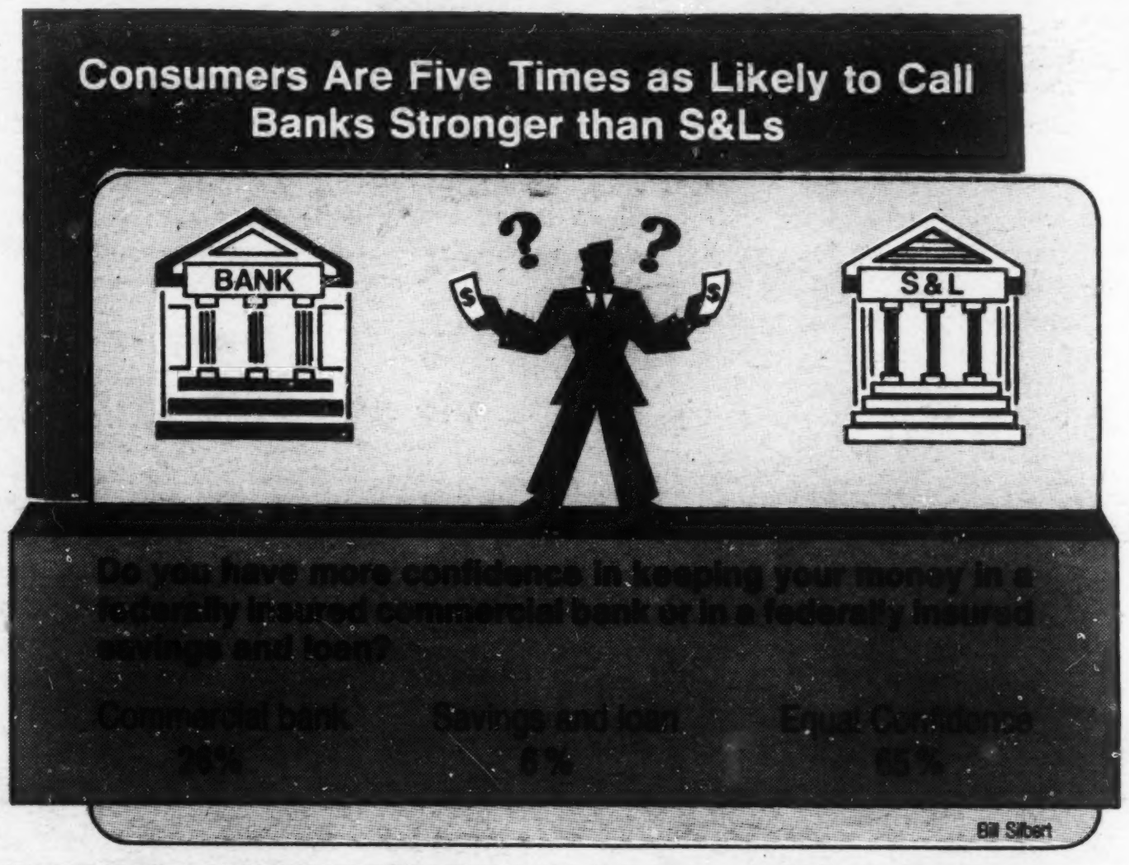
Washington Monday

Banks Outpace Thrifts in Public Confidence


Consumers Are Five Times as Likely to Call Banks Stronger than S&Ls
BANK
S&L
Do you have more confidence in keeping your money in a federally insured commercial bank or in a federally insured savings and loan?
Commercial bank 26%
Savings and loan 6%
Equal Confidence 65%
Bill Sibert

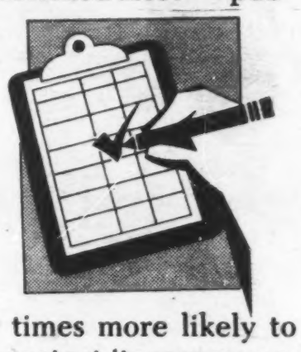
Savings Industry Leaders Are Disappointed, But Not Startled, By Finding of Consumer Survey

"The depositors couldn't get their money, and the government stepped in and temporarily closed the savings and loans."

— A young man from the South, recalling the problems of thrifts in Ohio and Maryland.

By DAVID LaGESSE

In the most profitable year on record for American thrifts, evidence has surfaced that the industry has lost some grip on its most cherished asset — public confidence.



Two in three consumers still express equal confidence in banks and thrifts. But that remaining third is four times more likely to choose a bank to protect its money, according to a nationwide survey commissioned by the *American Banker*.

"It's the first-choice reflex among our customers that it looks like we're losing," says Paul Willax, chairman of Empire of America in Buffalo. He and other thrift leaders express disappointment in the findings, but little real surprise.

They point to the temporary thrift closings in Ohio and Maryland, promptly recalled by the young man quoted above and many others nationwide. Those thrift crises developed last spring, just months before the survey was conducted.

But few thrift executives would expect to see improvement in the public's confidence in thrifts since the survey, which was conducted in late July. "You can bet that if you asked the same questions today, the numbers would

➡ Confidence: Page 44

As the Biggest Parents Grow Bigger, Recent Arrivals Open with Optimism

Creation of New Savings Institutions Is Unchecked by Bleak Assessments

By MARK BASCH

NEW YORK — The gloomy picture of the thrift industry painted recently by some regulators hasn't stopped new thrifts from organizing this year, even with Federal Home Loan Bank Board limits on growth for new institutions. In the first half of this year, 47 new thrifts opened, after 64 opened in 1984.

Part of the optimistic hopes for new institutions stems from the fact that they weren't in business during the bad times of the late 1970s and early 1980s. The industry learned the dangers of having a large portfolio of long-term, fixed-rate loans in a time when interest rates are rising. With that les-

➡ New Thrifts: Page 8

Top 50 Thrift Holding Companies Log Large Increase in Share of Deposits

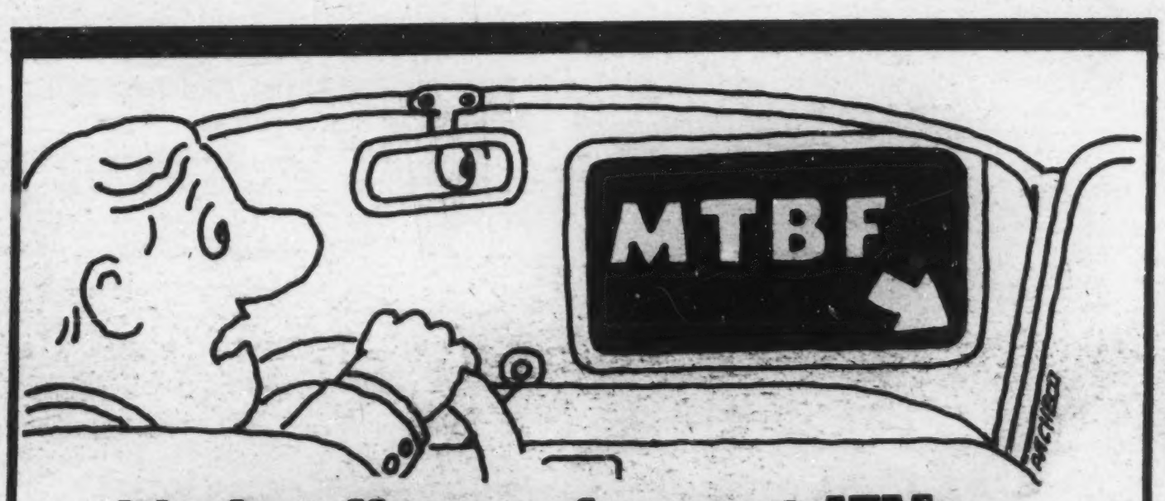
By L. MICHAEL CACACE

NEW YORK — The top 50 thrift holding companies substantially increased their share of thrift deposits last year. The top 50 controlled 20.3% of the industry's deposits at yearend 1984, compared with a 16.5% share one year earlier. Acquisitions by the top 50 firms were the main reason for the gain.

Top Thrift Firm Rankings, Page 22

The top 50 controlled $184 billion in thrift deposits on Dec. 31, 1984, up $50.5 billion, or 38%, from $133.5 billion a year earlier. In comparison, the total deposits for the entire savings in-

➡ Top 50: Page 41



It's the off-ramp for most ATMs

When driving for an ATM sale, most competitors take the MTBF off-ramp. They bow out when the issue of Mean-Time-Between-Failure arises. They, like others in the industry, know that you can't beat Fujitsu. ATMs by Fujitsu, installed and tested worldwide, complete 20,000 transactions between service calls. Reliability... the one word that says it all. For the best road map for ATM systems, call Robin Citron collect at (619) 453-5303.

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